(a) whether it is a fact that Oil Corporations are spending huge amount on the modernisation of petrol pumps located in big towns especially in Metros;

(b) how much amount has been spent/proposed to be spent during the last three years and next three years per pump, company-wise;

(c) whether the Oil Corporation would be able to recover this amount out of service station licence fees;

(d) the justification for this said huge investments; and

(e) the reasons for discrimination between the investments being made on pumps of metros and small towns?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) to (e) Oil marketing companies have invested in modernisation of retail outlets including those in metros to improve the customer convenience, service capability and keeping in view the competition in the deregulated scenario. Such investment is expected to bring reasonable additional returns on the investment made by the companies. Oil Marketing companies have made different scales of investments for modernisation of these retail outlets, depending upon requirement of each site. No licence fee is being recovered form the dealers for the modernisation of the retail outlets.

No discrimination is made between retail outlets of metros and small towns and investment is made on modernisation based on sales potential, customer profile, customer expectation and security of site.

Policy to fix up dealers' commission

1621. SHRI GHUFRAN AZAM: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a policy to fix up dealers' commission of petrol pumps in a manner that dealers/Oil Corporations may get atleast bank rate of interest on their investment;

(b) if so, how much is the average investment on the petrol pump on high way or in metros;

(c) whether the service station license fees charged by oil corporations from "A' site dealers is sufficient to cover their investments with interest; and

(d) if not, the reasons therefor and whether Government would increase it in order to reduce burden on finances of Oil Corporations/ Oil Pool Account?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) and (b) Methodology put in place to work out dealers commission, ensures reasonable return for investment in both fixed assets and working capital. The current rates of dealers commission have been fixed considering a rate of return of 13.56% on working capital and 17.91% on investment in fixed assets.

A sample study, carried out in 1996-97, of retail outlets located in various classes of markets, showed that in city markets the average investment is Rs. 5.26 lakhs and in highways markets, average investment is Rs. 3.96 lakhs. This includes cost of land, structures, furniture etc. (excluding pumps and tanks).

(c) and (d) The rates of service station-wise licence fee are fixed taking into consideration the investment of the oil companies in the form of storage, infrastructure and cost of land on an average basis.

Conditions for transportation of LNG into India

1622. SHRI SANTOSH BAGRODIA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that petronet LNG have put impossible and tough conditions for transportation of LNG into India through global bids; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) No, Sir.

(b) Does not arise.

Oil and natural gas reserves in the country

†1623. SHRIMATI MALTI SHARMA:
PROF. RAM BAKHSH SINGH VARMA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

†Original notice of the question was received in Hindi.